

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number S/045/0076 Mine Name Yellow Hammer Mine  
Operator \_\_\_\_\_ Date Sent April 22 2014  
TO \_\_\_\_\_ FROM \_\_\_\_\_

☐ CONFIDENTIAL ☒ A BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE  
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI  
☐ AMENDMENT ☐ OTHER \_\_\_\_\_

Description YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded  
Notice of File Closure 2014-04222014

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
Bond File 2014-04222014

**CONFIDENTIAL**

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded  
Bond File 2014-04222014

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

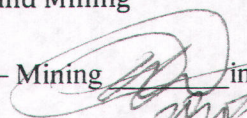
☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

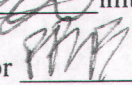
COMMENTS: \_\_\_\_\_

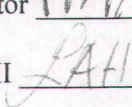
CC: \_\_\_\_\_



TO: John Baza, Director - Oil, Gas, and Mining

THRU: Dana Dean, Associate Director – Mining  initial

THRU: Paul B. Baker, Mining Program Coordinator  initial

FROM: Leslie Heppler, Environmental Scientist III  initial

DATE: March 12, 2014

SUBJECT: Bond Release Yellow Hammer Small Mine – S/045/0076  
Bond Release Yellow Hammer Exploration – E/045/0162  
Bond Release Herat Small Mine – S/045/0023

The purpose of this memorandum is to document the full release of the reclamation bond from two (2) small mines and one (1) exploration project. All three (3) areas are encompassed by the new Kiewit large mine operation M/045/0078.

The Division currently holds a reclamation bond of \$1,348,000 for the Kiewit Large Mine operation. The new reclamation bond was submitted on February 20, 2014.

The Yellow Hammer Small Mine – S/045/0076 has a nine (9) acre disturbance with a bond of \$48,500 and was permitted in 2009. No reclamation has been done at this site. The site consists of a large pit, with oversteepened highwalls, several old historic dumps, and new dumps from mining in 2010.

The Yellow Hammer Exploration – E/045/0162 has 2 half (0.5) acres sites for a total of one (1) acre of disturbance with a bond of \$12,300 and was permitted in 2009. No reclamation regrading has been done at the sites. The drill holes have been plugged. The site consists of a historic decline, and 2 dozer trenches.

The Herat Small Mine – S/045/0023 consists of historic and newer disturbances totally acres (5) acres with a bond of \$26,700 and was permitted 1988. No new disturbances have been done by the current operator, but the previous operator had a five (5) acre disturbance which included the re-disturbance of historic mining operation. The disturbance includes a portal with a steel gate, an area with 3 portals and a stope and several small dumps.

Operations requesting bond releases	Acres	Bond
Yellow Hammer SMO	9	\$48,500.00
Yellow Hammer EXP	1	\$12,300.00
Heart SMO	5	\$26,700.00
TOTAL FOR RELEASE	15	\$87,500.00
Reclamation bond for Kiewit LMO	118.3	\$1,348,000.00

Two maps are attached to show the new Kiewit Mine permit boundary (figure 2) and the three (3) permits (figure 5), which have requested bond release; all three (3) permit areas are encompassed by the new Kiewit large mine operation.



4/22/2014

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## ACCOUNT INFO

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9 certificates of deposit  
DSebo@watrust.com  
pennyberry@utah.gov  
Tue 22 Apr 2014 10:32:48 PDT  
Thu 22 May 2014 10:32:48 PDT

Reply Reply to All Forward Delete Move to Folder... Move

As per your phone request please be advised that the following certificates of deposit have been released from hold and redeemed by the depositor on March 26. Account Number Principal amount  
\$13,666.20 \$28,353.04 23,983.68 Thanks, Dale Sebo Dale Sebo Vice President [Description: Description: cid:image002.gif@01CBF467.BEC743Do] Private Banking #790202ph: 509-353-4003 fax: 509-353-4045 dsebo@watrust.com <mailto:dsebo@watrust.com> ===== This electronic mail message and any attachments may contain confidential or privileged information and is intended for use solely by the above-referenced recipient. Any review, copying, printing, disclosure, distribution, or other use by any other person or entity is strictly prohibited under applicable law. If you are not the named recipient, or believe you have received this message in error, please immediately notify the sender by replying to this message and delete the copy you received. =====

## ATTACHMENT FILENAME

☐ emailBody.htm  
☐ image001.gif

All Save Checked Files

## TYPE

Hypertext Markup Language File  
CompuServe Image Format

## SIZE

6.83 KB  
2.28 KB

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As per your phone request please be advised that the following certificates of deposit have been released from hold and redeemed by the depositor on March 26.

Account Number

Principal amount

\$13,666.20

\$28,353.04

\$23,983.68

Thanks, Dale Sebo

***Dale Sebo***

**Vice President**

Private Banking

MLO #796262

ph: 509-353-4003

fax: 509-353-4045

[dsebo@watrust.com](mailto:dsebo@watrust.com)

=====

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=====





GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 10, 2014

Dale Sebo  
Washington Trust Bank  
P.O. Box 2127  
Spokane, Washington 99210

Subject: Authorization for Full Release of Reclamation Surety, Certificate of Deposit  
Desert Hawk Gold Corporation, Yellow Hammer Small  
Mine, S/045/0076, Tooele County, Utah

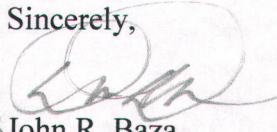
Dear Mr. Sebo:

Washington Trust Bank is presently holding Certificate of Deposit #  
for a sum amount of \$48,500.00 for the benefit of the State of Utah, Division of Oil,  
Gas and Mining, as a form of reclamation surety for Desert Hawk Gold Corporation's Yellow  
Hammer Mine. Please note that this is different from the Yellow Hammer exploration project,  
E/045/0162. **This letter authorizes the full release of the certificate of deposit.** The operator  
has replaced this surety with another surety for the Kiewit large mine operation.

Please supply the Division with documentation once the transaction has been  
completed.

Please contact Dana Dean at 801-538-5320 or Paul Baker at 801-538-5261 if you have  
any questions or concerns about this action. Thank you for your help in this matter.

Sincerely,

  
For John R. Baza  
Director

JRB:lah:pb

cc: Desert Hawk Gold Corp (included with copy of letter, the original CD Agreement Ltrs)  
P:\GROUPS\MINERALS\WP\M045-Tooele\S0450076-YellowHammer\final\CDRel-5910-03052014.docx







GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 10, 2014

Dale Sebo  
Washington Trust Bank  
P.O. Box 2127  
Spokane, Washington 99210

Subject: Authorization for Full Release of Reclamation Surety, Certificate of Deposit  
Desert Hawk Gold Corporation, Yellow Hammer Small Mine,  
S/045/0076, Tooele County, Utah

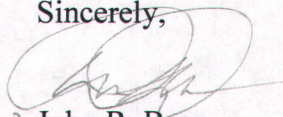
Dear Mr. Sebo:

Washington Trust Bank is presently holding Certificate of Deposit # \_\_\_\_\_ in the principal amount of \$48,500.00 for the benefit of the State of Utah, Division of Oil, Gas and Mining, as a form of reclamation surety for Desert Hawk Gold Corporation's Yellow Hammer Mine. Please note that this is different from the Yellow Hammer exploration project, E/045/0162. **This letter authorizes the full release of the certificate of deposit.** The operator has replaced this surety with another surety for the Kiewit large mine operation.

Please supply the Division with documentation once the transaction has been completed.

Please contact Dana Dean at 801-538-5320 or Paul Baker at 801-538-5261 if you have any questions or concerns about this action. Thank you for your help in this matter.

Sincerely,

  
For John R. Baza  
Director

JRB:lah:pb

cc: Desert Hawk Gold Corp (included with copy of letter, the original CD Agreement Ltr)  
P:\GROUPS\MINERALS\WP\M045-Tooele\S0450076-YellowHammer\final\CDRel-5910-03052014.docx





JON M. HUNTSMAN, JR.  
Governor  
GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

September 9, 2009

Washington Trust Bank (Bank Name)  
P.O. Box 2127 (Address)  
Spokane, Washington 99210

Attention: Dale Sebo, V.P. (Bank Acct. Rep., Branch Manager, etc.) 509-353-4003  
(phone) dsebo@watrust.com (email address)

Subject: Reclamation Surety, Certificate of Deposit for Desert Hawk Gold Corp. (Company Name),  
Yellow Hammer Mine Site, S/045/0076 (OGM mine file #),  
Tooele County, Utah

Certificate of Deposit number \_\_\_\_\_ Principal Amount \$ 25,200.00

This letter describes the mutually agreed upon instructions of the below signed parties to  
Washington Trust Bank Bank ("Bank"), regarding the control, redemption, and release of  
Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the  
availability of reclamation funds for the Yellow Hammer mine site, Tooele County, Utah.  
It is the intention of the parties that the CD be utilized as surety to guarantee that \$ 25,200.00 in  
reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon  
demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation  
of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by Desert Hawk Gold Corp., a Nevada  
corporation, ("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas &  
Mining and is subject to the terms and conditions described in this agreement. The CD shall  
automatically renew indefinitely until either redeemed or released by the Director of the Division. The

RECEIVED

SEP 14 2009

GAS & MINING



Page 2  
September 9, 2009  
Subject:

Division may request CD information on an occasional basis. This letter grants approval by Desert Hawk Gold Corp. (name of operator) for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.



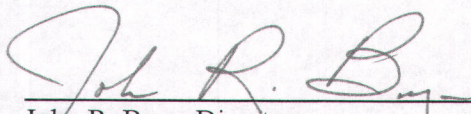
Page 3  
September 9, 2009  
Subject:

**Accrued Interest:**

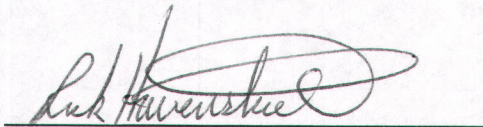
Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$25,200.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**

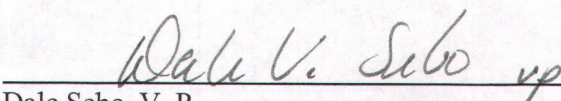
Agreed Upon By:

  
John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date: 9/29/09

  
Rick Havenstrite, President  
Desert Hawk Gold Corp.  
Tax ID Number: 82-0230997

Date: 9/10/09

  
Dale Sebo, V. P.  
Washington Trust Bank

Date: 9/09/09





Gary R. Herbert  
Governor  
Gregory S. Bell  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

Date 9/21/2011

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SEP 26 2011

DIV. OF OIL, GAS & MINING

Washington Trust Bank

PO Box 2127  
Spokane, Wa 99210

Attention: Dale Sebo

(Bank Acct. Rep., Branch Manager, etc.)

353 4003 (phone) DSebo@watrust.com

Subject: Reclamation Surety, Certificate of Deposit for Desert Hawk Gold Corp.

Yellow Hammer Mine Site, S/045/0076 (OGM mine file #),  
Tooele County, Utah

Certificate of Deposit number #3000630548; Principal Amount \$23,300.00

This letter describes the mutually agreed upon instructions of the below signed parties to Washington Trust Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Yellow Hammer mine site, Tooele County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$23,300.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by Desert Hawk Gold Corp., a Nevada corporation, ("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until



either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by Desert Hawk Gold Corp. (name of operator) for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.



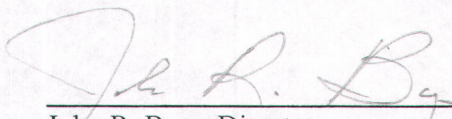
Page 3  
September 21, 2011  
Subject:

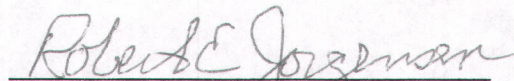
Accrued Interest:

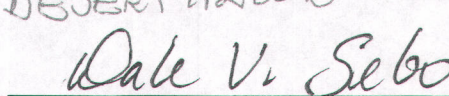
Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$23,300.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**

Agreed Upon By:

 Date: 9/30/11  
John R. Baza, Director  
Utah Division of Oil, Gas & Mining  
ROBERT E JORGENSEN

 Date: 9/21/11  
Type the Name & Title of Company Authorized Officer here  
Type the Company Name here  
Tax ID Number: 82-0230997  
DESERT HAWK GOLD CORP. CEO.

 Date: 9/21/11  
Type the Name and Title of Bank Authorized Officer here  
Type the Name of Bank here



# CERTIFICATE RECEIPT

Thank you for your investment with Washington Trust Bank.  
We appreciate your business and look forward to working with you  
on all of your financial needs.

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SEP 26 2011  
DIV. OF OIL, GAS & MINING

Washington Trust Bank   
Member FDIC

ACCOUNT NO. \_\_\_\_\_ TAX YEAR (IRA) \_\_\_\_\_  
DEPOSIT NO. 1 DATE 09/21/2011  
BRANCH NO: Main Branch \$ \$23,300.00

No. 630548

☒ AUTOMATICALLY RENEWABLE

☐ SINGLE MATURITY

WASHINGTON TRUST BANK HAS ACCEPTED FOR DEPOSIT:

REGISTERED OWNERS  
1. Desert Hawk Gold Corp  
2. \_\_\_\_\_  
3. \_\_\_\_\_

7723 N Morton St  
Spokane WA 99208-3973

CUSTODIAL: ☐ IRA ☐ UTMA BIRTH DATE \_\_\_\_\_

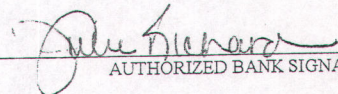
JOINT TENANCY: ☐ WITH RIGHT OF SURVIVORSHIP ☐ WITHOUT RIGHT OF SURVIVORSHIP ☐ IN TRUST PAYABLE UPON DEATH TO BENEFICIARY

TERM: 60 Months MATURING 09/21/2016 FIXED RATE OF 1.440 % PER ANNUM

ANNUAL PERCENTAGE YIELD OF 1.45 FLOATING RATE BEGINNING AT \_\_\_\_\_ % PER ANNUM

INTEREST PAYMENT FREQUENCY Annually PAYMENT METHOD Add on

NON-NEGOTIABLE AND NON-TRANSFERABLE,  
SUBJECT TO THE RULES STATED ON THE REVERSE SIDE

  
AUTHORIZED BANK SIGNATURE



# CERTIFICATE RECEIPT

Thank you for your investment with Washington Trust Bank.  
We appreciate your business and look forward to working with you  
on all of your financial needs.

**Washington Trust Bank**  
Member FDIC



ACCOUNT NO. \_\_\_\_\_ TAX YEAR (IRA) \_\_\_\_\_  
DEPOSIT NO. 1 DATE 08/21/2009  
BRANCH NO: Main Branch \$ \$25,200.00

No. 625300

☒ AUTOMATICALLY RENEWABLE

☐ SINGLE MATURITY

WASHINGTON TRUST BANK HAS ACCEPTED FOR DEPOSIT:

REGISTERED OWNERS 1. Desert Hawk Gold Corp

2. \_\_\_\_\_

3. \_\_\_\_\_

2719 W Strong Rd  
Spokane WA 99208-8423

CUSTODIAL: ☐ IRA ☐ UTMA BIRTH DATE \_\_\_\_\_

JOINT TENANCY: ☐ WITH RIGHT OF SURVIVORSHIP ☐ WITHOUT RIGHT OF SURVIVORSHIP ☐ IN TRUST PAYABLE UPON DEATH TO BENEFICIARY

TERM: 60 Months MATURING 08/21/2014 FIXED RATE OF 2.710 % PER ANNUM

ANNUAL PERCENTAGE YIELD OF 2.75 FLOATING RATE BEGINNING AT \_\_\_\_\_ % PER ANNUM

INTEREST PAYMENT FREQUENCY Annually PAYMENT METHOD Add on

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SUBJECT TO THE RULES STATED ON THE REVERSE SIDE

\_\_\_\_\_  
AUTHORIZED BANK SIGNATURE





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- Sent Items
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- Compose

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- Preferences
- Change Password

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0 certificates of deposit  
DSebo@watrust.com  
pennyberry@utah.gov  
Tue 22 Apr 2014 10:32:48 PDT  
Thu 22 May 2014 10:32:48 PDT

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As per your phone request please be advised that the following certificates of deposit have been released from hold and redeemed by the depositor on March 26. Account Number Principal amount  
\$13,666.21 to \$28,353.04 \$23,983.68 Thanks, Dale Sebo Dale Sebo Vice President [Description: Description: cid:image002.gif@01CBF467.BEC743D0] Private Banking MLO #790262ph: 509-353-4003 fax: 509-353-4045 dsebo@watrust.com <mailto:dsebo@watrust.com>=====This electronic mail message and any attachments may contain confidential or privileged information and is intended for use solely by the above-referenced recipient. Any review, copying, printing, disclosure, distribution, or other use by any other person or entity is strictly prohibited under applicable law. If you are not the named recipient, or believe you have received this message in error, please immediately notify the sender by replying to this message and delete the copy you received.=====

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- image001.gif

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CompuServe Image Format

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Account Number

Principal amount

\$13,666.20

\$28,353.04

\$23,983.68

Thanks, Dale Sebo

***Dale Sebo***

**Vice President**

Private Banking

MLO #796262

ph: 509-353-4003

fax: 509-353-4045

[dsebo@watrust.com](mailto:dsebo@watrust.com)

=====

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

RECEIVED

OCT 19 2011

MODIFICATION OF ATTACHMENT A  
TO THE  
RECLAMATION CONTRACT

DIV. OF OIL, GAS &amp; MINING

Name of Operator: Desert Hawk Gold Co.Permit Number: S/045/0076Mine Name: Yellow HammerPhone Number: 509-467-8204

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease  
☒ Increase  
☐ Replacement

Reason: ☒ Amendment to NOI  
☐ Cancellation/ Termination of surety  
☐ Escalation  
☐ Partial Release of surety  
☐ Other Explain: Operator made an amendment on the Plan.  
It required an increase of surety in the amount of \$23,300.00

Surety Dollar Amount Associated With This Action: \$23,300.00Surety Aggregate Amount: \$48,500.00

Included in this modification (surety must be attached)

Instrument(s):

<input type="checkbox"/> Corporate Surety	<input type="checkbox"/> Rider
<input type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input checked="" type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input type="checkbox"/> Other

Explain: CD \_\_\_\_\_ n the amount of  
\$23,300.00.

Other surety not affected by this modification will remain part of Attachment A and labeled as such.

This Modification will be effective as of the last date signed below

Rick Haver STATE FAIR  
Authorized Officer Signature Printed Title

Date

10/17/2011

John R. Baza  
Division Director John R. Baza  
Utah Division of Oil, Gas and Mining

Date

10/27/2011



FACT SHEET

Commodity: COPPER, GOLD, SILVER, TUNGSTEN

Mine Name: YELLOW HAMMER

Permit Number: 5104510076

County: TOOLE

Disturbed Acres: 9

Operator Name: DESERT HAWK GOLD CORP

Operator address: 7115 N. DIVISION ST - SUITE B #351

Operator telephone: 509-467-8204 OR 775-322-4621

Operator fax: 509-465-0775 OR 775-322-6867

Operator email: bjorg@YAHOO.COM OR RICKH@ODENV.COM

Contact: RICK HAVENSTRITE

Surety Type: CD

Held by (Bank/BLM): WASHINGTON TRUST

Surety Amount: \$48,500

Surety Account Number:                                 

Escalation Year: 2014

Tax ID or Social Security (for cash only):                                 

Surface owner: MOELLER FAMILY TRUST

Mineral owner: MOELLER FAMILY TRUST

UTU number:                         

Acres: 9



Mine Name:

Other Agency File Number:

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

RECEIVED

SEP 03 2009

---ooOoo---

SMALL MINE RECLAMATION CONTRACT DIV. OF OIL, GAS & MINING

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between DESERT HAWK GOLD the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division"). CORP.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. 50450076 which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
  - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling



ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
  - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
  - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
    - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
    - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation



obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.



12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.



The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

DESERT HAWK GOLD CORP.  
Operator Name

By RICK HAVENSTRITE  
Authorized Officer (Typed or Printed)

PRESIDENT  
Authorized Officer - Position

Rick Havenstrite 7/22/2009  
Officer's Signature Date

STATE OF NEVADA )  
 ) ss:  
COUNTY OF WASHOE )

On the 27<sup>th</sup> day of JULY, 2009, RICK HAVENSTRITE  
personally appeared before me, who being by me duly sworn did say that  
he/she is an OFFICER (owner, officer, director, partner, agent  
or other (specify)) of the Operator DESERT HAWK GOLD CORP. and duly  
acknowledged that said instrument was signed on behalf of said Operator by  
authority of its bylaws, a resolution of its board of directors or as may otherwise  
be required to execute the same with full authority and to be bound hereby.

Deanna M Blood  
Notary Public  
Residing at 2910 SUNDOWN RD, RENO, NV 89512  
10/24/2011  
My Commission Expires:





DIVISION OF OIL, GAS AND MINING:

By John R. Baza  
John R. Baza, Director

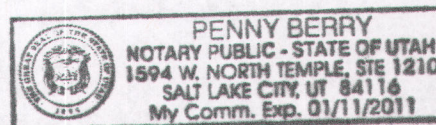
9/29/09  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 29 day of September, 2009, John R. Baza  
personally appeared before me, who being duly sworn did say that he, the said  
John R. Baza is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry  
Notary Public  
Residing at: Salt Lake

1/11/2011  
My Commission Expires:





FACT SHEET

Commodity: COPPER / GOLD

Mine Name: YELLOW HAMMER

Permit Number: 50450076

County: TOOELE

Disturbed Acres: 5

Operator Name: DESERT HAWK GOLD CORP.

Operator address: 8921 N. INDIAN TRAIL Rd #288  
SPOKANE WA  
99208

Operator telephone: 775-337-8057

Operator fax: 775-322-6867

Operator email: RICKH@ODCNV.COM

Contact: RICK HAVENSTRAITE

Surety Type: CD

Held by (Bank/BLM): WASHINGTON TRUST BANK / SPOKANE, WASHINGTON

Surety Amount: \$ 25,200

Surety Account Number: Acct #  
15093534003

Escalation Year: 5

Tax ID or Social Security (for cash only): CD - CERT. OF DEPOSIT

Surface owner: MOELLER FAMILY TRUST

Mineral owner: MOELLER FAMILY TRUST

UTU and/or ML number: NOT BLM / NOT STATE LANDS

\*\*\*DOGM Contact: Penny Berry, State of Utah, Division of Oil Gas and Mining, 801 538 5291 or  
bondcoordinator@utah.gov



Washington Trust Bank  
PO Box 2127  
Spokane, WA 99210  
BRANCH 0000010  
08/21/2009

1

**OWNERSHIP OF ACCOUNT - CONSUMER PURPOSE**

- ☐ SINGLE ACCOUNT ☐ \_\_\_\_\_  
(and not as tenants in common or community property)  
☐ JOINT - WITH SURVIVORSHIP  
☐ JOINT - NO SURVIVORSHIP (as tenants in common)  
☐ COMMUNITY PROPERTY ACCOUNT  
☐ TRUST - SEPARATE AGREEMENT:  
☐ REVOCABLE TRUST OR ☐ PAY-ON-DEATH  
DESIGNATION AS DEFINED IN THIS AGREEMENT  
Name and Address of Beneficiaries:

**OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE**

- ☐ SOLE PROPRIETORSHIP  
☒ CORPORATION: ☒ FOR PROFIT ☐ NOT FOR PROFIT  
☐ PARTNERSHIP  
☐ \_\_\_\_\_

BUSINESS: Mining  
COUNTY & STATE  
OF ORGANIZATION: Spokane, Wa  
AUTHORIZATION DATED: 08/21/2009

DATE OPENED 08/21/2009 BY Julie Richardson  
INITIAL DEPOSIT \$ 25,200.00  
☐ CASH ☐ CHECK ☒ Trf fr checking  
HOME TELEPHONE # 509-434-8161  
BUSINESS PHONE # 509-466-8595  
DRIVER'S LICENSE # \_\_\_\_\_  
E-MAIL \_\_\_\_\_  
EMPLOYER \_\_\_\_\_  
MOTHER'S MAIDEN NAME \_\_\_\_\_  
Name and address of someone who will always know your location: N/A  
Comments: Docs on file @ PB

**BACKUP WITHHOLDING CERTIFICATIONS**

TIN: 82-0230997

☒ **TAXPAYER I.D. NUMBER** - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

☒ **BACKUP WITHHOLDING** - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

☐ **EXEMPT RECIPIENTS** - I am an exempt recipient under the Internal Revenue Service Regulations.

**SIGNATURE:** I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

X Robert E Jorgensen 8/21/09  
(Date)

ACCOUNT  
NUMBER

**ACCOUNT OWNER(S) NAME & ADDRESS**

Desert Hawk Gold Corp

2719 W Strong Rd  
Spokane WA 99208-8423

- TYPE OF ACCOUNT**  
☒ NEW ☐ EXISTING  
☐ CHECKING ☐ SAVINGS  
☐ MONEY MARKET ☒ CERTIFICATE OF DEPOSIT  
☐ NOW ☐ \_\_\_\_\_

This is your (check one):

- ☒ Permanent ☐ Temporary account agreement.

Number of signatures required for withdrawal 1  
FACSIMILE SIGNATURE(S) ALLOWED? ☐ YES ☒ NO

[ X ]

**SIGNATURE(S) - The undersigned agree to the terms stated on every page of this form and acknowledge receipt of a completed copy. The undersigned further authorize the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following disclosure(s):**

- ☒ Deposit Account ☒ Funds Availability  
☒ Electronic Funds Transfer ☐ Truth in Savings ☐ Privacy  
☐ \_\_\_\_\_

(1): [ X Robert E Jorgensen President ]  
I.D. # \_\_\_\_\_ D.O.B. \_\_\_\_\_

(2): [ X ]  
I.D. # \_\_\_\_\_ D.O.B. \_\_\_\_\_

(3): [ X ]  
I.D. # \_\_\_\_\_ D.O.B. \_\_\_\_\_

(4): [ X ]  
I.D. # \_\_\_\_\_ D.O.B. \_\_\_\_\_

☐ Agent (Single Accounts Only) (Name)

[ X ]

I.D. # \_\_\_\_\_ D.O.B. \_\_\_\_\_



## TERMS AND CONDITIONS OF YOUR ACCOUNT

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us.

This agreement is subject to applicable federal laws and the laws of the state of Washington (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees.

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next following business day that we are open.

**WITHDRAWALS** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to indorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal.

We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

**ACH AND WIRE TRANSFERS** - This agreement is subject to Article 4A of the Uniform Commercial Code in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

**OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION** - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. **Single Account** - is owned by one person. **Joint Account - With Survivorship (And Not As Tenants In Common)** - is an account in the name of two or more persons. Each of you intend that when you die the balance in the account (subject to any previous pledge to which we have

agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common. **Joint Account - No Survivorship (As Tenants In Common)** - is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of signatures" necessary for withdrawal. **Community Property Account** - Such an account is issued to a husband and wife who intend that all of the property in the account, including earnings, be held as community property. **Revocable Trust or Pay-On-Death Account** - If two or more of you create this type of account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types may: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time.

**BUSINESS ACCOUNTS** - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the legal entity.

**STOP PAYMENTS** - You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

**AMENDMENTS AND TERMINATION** - We may change any term of this agreement. Rules governing changes in interest rates are provided separately. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

**STATEMENTS** - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries, or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

**ACCOUNT TRANSFER** - This account may not be transferred or assigned without our prior written consent.

**DIRECT DEPOSITS** - If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

**TEMPORARY ACCOUNT AGREEMENT** - If this option is selected, we may restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

**SETOFF** - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note.

This right of setoff does not apply to this account if: (a) it is an IRA or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

**AGENT (Single Accounts only)** - A single individual is the owner. The agent is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

**FACSIMILE SIGNATURES** - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.



50450074

Washington Trust Bank  
P.O. Box 2127  
Spokane, WA 99210-2127

**Washington Trust Bank**  
Member FDIC



For assistance, call:  
PRIORITY SERVICE  
1-800 788-4578

STATE OF UTAH DEPT OF NATURAL RESOURCES  
ATTN JOHN R BAZA  
RETAINAGE ACCT-YELLOW HAMMER MINE SITE  
PO BOX 145801  
SALT LAKE CITY UT 84114-5801

Last statement: December 31, 2010

This statement: December 31, 2011

Total days in statement period: 65

3000625300 T 0 0 700



Page 1 of 2

# **SUMMARY OF ACCOUNT BALANCES**

<u>Account</u>	<u>Number</u>	<u>Ending Balance</u>
Certificate of Deposit		\$26,603.48

# **CERTIFICATE OF DEPOSIT      60 Months, Renewable      3000625300**

Current Balance	\$26,603.48	Rate	2.71 %
Original Deposit Amount	\$25,200.00	Last Renewed	
Original Deposit Date	08-21-09	Next Maturity	08-21-14
		Interest Paid YTD	\$711.25

## Transactions

<u>Date</u>	<u>Description</u>	<u>Additions</u>	<u>Subtractions</u>
08-20	Interest #1 0000000000000000	711.25	



## TO RECONCILE YOUR ACCOUNT

List outstanding transactions (checks, ATM transactions, automatic payments and other withdrawals not shown on your statement).

TRANSACTIONS	AMOUNT
<b>TOTAL</b>	

ENDING BALANCE THIS STATEMENT	
ADD DEPOSITS NOT SHOWN ON STATEMENT	+
SUBTOTAL	
SUBTRACT TOTAL OUTSTANDING TRANSACTIONS (above)	-
CURRENT AVAILABLE BALANCE	\$
ENDING BALANCE FROM CHECKBOOK	
ADD ANY INTEREST or OTHER CREDITS (if applicable, from statement)	+
SUBTRACT TOTAL SERVICE CHARGES/FEEES (if applicable, from statement)	-
CURRENT AVAILABLE BALANCE	\$

### If Your Statement and Checkbook Do Not Agree

- Compare transaction amounts on the statement to your checkbook.
- Compare deposit or other credit amounts on the statement to your checkbook and your receipts.
- Be sure all transactions (checks, ATM transactions, transfers, automatic payments, and service charges/fees) are recorded in your checkbook.
- If your account is still out of balance, please notify us immediately.

### In Case of Irregularities on This Statement

The bank is released from liability or claim of loss except when the depositor has reported a discrepancy or irregularity in connection with the account within 30 days from the date of statement in which the discrepancy occurred.

### In Case of Errors or Questions About Electronic Funds Transfers

Call or write us at the telephone number or address listed below, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number.
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (5 business days for VISA debit card point-of-sale transactions processed by VISA and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction action, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for VISA debit card point-of-sale transactions processed by VISA and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation, by contacting us at the address below. The bank reserves the right to charge for necessary investigation time if it is discovered that the bank is not in error.

THESE TOTALS SHOULD BE THE SAME.  
If totals do not agree, see above.

Direct all inquiries to:  
800-788-4578 or write  
Washington Trust Bank, Priority Service  
P.O. Box 2127  
Spokane WA 99210-2127





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

October 27, 2011

Rick Havenstrite  
Desert Hawk Gold Co.  
7115 North Division St., Ste. B #351  
Spokane, Washington 99208

Subject: Copy of the Modification of Attachment A to the Reclamation Contract, Desert Hawk Gold Co., Yellow Hammer, S/045/0076, Tooele County, Utah

Dear Mr. Havenstrite:

On October 19, 2011 the Division received the signed Modification of Attachment A to the Reclamation Contract (MA-RC) from Desert Hawk Gold Co. Our Director signed the MA-RC on October 27, 2011. Enclosed is a copy for your records.

If you have any questions please call 801-538-5291 or email [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov). Thank you.

Sincerely,

Penny Berry  
Bond Coordinator

PB







GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

October 5, 2011

Rick Havenstrite  
Desert Hawk Gold Company  
7115 North Division St. Suite. B #351  
Spokane, Washington 99208

Subject: Modification of Attachment A to the Reclamation Contract and Fact Sheet, Desert Hawk Gold Company, Yellow Hammer, S/045/0076, Tooele County, Utah

Dear Mr. Havenstrite:

On September 26, 2011 the Division received your CD [REDACTED] the amount of \$23,300.00. This increase was for an amendment made to the plan.

Please sign the Modification of Attachment A to the Reclamation Contract and complete the Fact Sheet.

Please return these documents to the Division as soon as possible so that we can proceed with our process in completing this file. If you have any questions please call 801-538-5291 or email [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov). Thank you for your attention in this matter.

Sincerely,

Penny Berry  
Bond Coordinator  
Minerals Program

PB

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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A  
TO THE  
RECLAMATION CONTRACTName of Operator: Desert Hawk Gold Co.Permit Number: S/045/0076Mine Name: Yellow HammerPhone Number: 509-467-8204

**Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:**

*Check the boxes that apply to this form:*

Surety: ☐ Decrease  
☒ Increase  
☐ Replacement

Reason: ☒ Amendment to NOI  
☐ Cancellation/ Termination of surety  
☐ Escalation  
☐ Partial Release of surety  
☐ Other Explain: Operator made an amendment on the Plan.  
It required an increase of surety in the amount of \$23,300.00

Surety Dollar Amount Associated With This Action: \$23,300.00Surety Aggregate Amount: \$48,500.00***Included in this modification (surety must be attached)***

Instrument(s):

<input type="checkbox"/> Corporate Surety	<input type="checkbox"/> Rider
<input type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input checked="" type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input type="checkbox"/> Other

Explain: CD \_\_\_\_\_ in the amount of  
\$23,300.00.

**Other surety not affected by this modification will remain part of Attachment A and labeled as such.  
This Modification will be effective as of the last date signed below**

\_\_\_\_\_  
Authorized Officer Signature\_\_\_\_\_  
Printed\_\_\_\_\_  
Title\_\_\_\_\_  
Date

\_\_\_\_\_  
Division Director John R. Baza  
Utah Division of Oil, Gas and Mining

\_\_\_\_\_  
Date



FACT SHEET

Commodity: COPPER, GOLD, SILVER, TUNGSTEN

Mine Name: YELLOW HAMMER

Permit Number: 5104510076

County: TOOELE

Disturbed Acres: 9

Operator Name: DESERT HAWK GOLD CORP

Operator address: 7115 N. DIVISION ST - SUITE B #35)

Operator telephone: 509-467-8204 OR 775-322-4621

Operator fax: 509-465-0775 OR 775-322-6867

Operator email: bjorg@Yahoo.COM OR RICKH@ODENV.COM

Contact: RICK HAVENSTRITE

Surety Type: CD

Held by (Bank/BLM): WASHINGTON TRUST

Surety Amount: \$48,500

Surety Account Number: [REDACTED]

Escalation Year: 2014

Tax ID or Social Security (for cash only): \_\_\_\_\_

Surface owner: MOELLER FAMILY TRUST

Mineral owner: MOELLER FAMILY TRUST

UTU number: \_\_\_\_\_

Acres: 9



**Penny Berry - Desert Hawk Gold Corp S0450076**

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**From:** Penny Berry  
**To:** bjorg53@yahoo.com  
**Date:** 8/19/2009 9:42 AM  
**Subject:** Desert Hawk Gold Corp S0450076  
**Attachments:** CDonLtrHeadFee.doc

---

Hi Bob,

I have attached the CD Agreement Letter. In review of our conversation the surety amount is \$25,200. You will need to remit the original CD Agreement Letter along with a copy of the book entry. You were also given a reclamation contract, this will need to be signed and notarized and the original returned to the Division. Once everything has been signed by our Director we will then send you copies for your record. If you have any questions please call 801-538-5291 or email. Thanks.

Penny Berry  
Bond Coordinator



**Penny Berry - CD Agreement Letter S0450076**

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**From:** Penny Berry  
**To:** rickh@odcnv.com  
**Date:** 9/9/2009 10:18 AM  
**Subject:** CD Agreement Letter S0450076  
**CC:** Leslie Heppler  
**Attachments:** CDonLtrHeadFee.doc

---

Hi Rick,

On September 3, 2009 we received your Reclamation Contract and CD Agreement Letter. Per your conversation with Leslie Heppler on September 8, 2009, there was a field with white out and the document was lacking your signature. I took the information on the CD Agreement Letter and completed it. Please see the attached. You will need to get this signed by Dale Sabo at the bank. You will also need to sign the document. Once we receive this from you we can start the process. If you have any questions please call 801-538-5291 or email. Thank you.

Penny Berry





JON M. HUNTSMAN, JR.  
Governor  
GARY R. HERBERT  
Lieutenant Governor

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER  
Executive Director

JOHN R. BAZA  
Division Director

Date

Washington Trust Bank

(Bank Name)

PO Box 2127

(Address)

Spokane, WA 99210

Attention: Dale Sebo, V.P.

(Bank Acct. Rep., Branch Manager, etc.)

509 353 4553 (phone)

dsebo@wetrust.com

(email address)

Subject: Reclamation Surety, Certificate of Deposit for DESEAT HAWK (Company Name),

YELLOW HAMMER Mine Site, 50950076 (OGM mine file #),

TOOELE County, Utah

Certificate of Deposit number 3000625300; Principal Amount \$ 25,200.00

This letter describes the mutually agreed upon instructions of the below signed parties to

Washington Trust Bank

Bank ("Bank"), regarding the control,

redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a

surety to guarantee the availability of reclamation funds for the Yellow Hammer

mine site, Tooele County, Utah. It is the intention of the parties

that the CD be utilized as surety to guarantee that \$ 25,200.00

\_\_\_\_\_ in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining

("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to

complete reclamation of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by Desert Hawk Gold Corp, a Nevada corporation,

("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and

is subject to the terms and conditions described in this agreement. The CD shall automatically renew

*Superseded  
9/14/09*